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SUBJECT: STAFFDEL JACOBSTEIN STRUCK BY GUATEMALA'S SECURITY CHALLENGES

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¶1. (SBU) Summary: Human rights and UN officials told Staffdel Jacobstein September 1-4 that weak institutions, vulnerability to narco-traffickers, and corruption were all serious problems facing the Colom government. These points were reiterated by the Country Team, and driven home during the Staffdel's site visit to an exhumation of victims of an extrajudicial execution in the Department of Chimaltenango. End Summary.

¶2. (SBU) Staffdel Jacobstein - consisting of professional staff members Eric Jacobstein and Fred Ratliff from the House Subcommittee on the Western Hemisphere, and Robyn Wapner from the House Foreign Affairs Committee - visited Guatemala from September 1-4. The purpose of their visit was to explore increased violence and drug cartel activity in Guatemala and the impact of the Merida Initiative and other U.S. foreign assistance programs in the country. The Staffdel also examined the work the Embassy is doing to promote good governance and rule of law and to fight institutionalized corruption. Highlights of their visit included meetings with the Attorney General, the Director of the UN-led International Commission Against Impunity in Guatemala (CICIG), and the Ministry of Foreign Affairs. Outside of the capital, the Staffdel met with members of a rural indigenous community in the Department of Chimaltenango, and visited an Embassy-sponsored model police station and a youth-gang outreach center in Villanueva.

¶3. (SBU) Guatemala's weak institutions and the country's vulnerability to narco-trafficking cartels figured prominently in a roundtable discussion the Staffdel had with a dozen Guatemalan human rights activists. While these HR representatives in general agreed that Guatemala's police and judicial systems are broken, they were similarly unified in their opposition to giving the Army a greater role in combating narco-trafficking. The solution to these security challenges, they argued, must be to reform the police and judicial institutions, while providing jobs and education to a people who have too little of either. All of them supported the work CICIG has done to date, but warned that the international organization could not solve the country's problems. Eventually, CICIG will leave Guatemala, and strong institutions must be in place to fill the void that will be felt by the organization's departure. At the end of the day, political will and leadership are the most important ingredients necessary for Guatemala to reverse the culture of corruption and impunity that plagues the country.

¶4. (SBU) The theme of institutional weakness and corruption continued when the Staffdel met with CICIG Commissioner Carlos Castresana. Castresana explained that the grand strategy of his organization is to establish some legal precedents through successful prosecution of six to eight important cases which CICIG is currently investigating. Castresana said that he is generally satisfied with the work CICIG has done in training a small group of Guatemalan public prosecutors and judges, and that this effort to create a trustworthy judicial "micro-system" would continue to be a major focus of his organization over the course of its second two-year mandate. This effort, he acknowledged, is being impeded

by the absence of sufficient funds to provide for their physical protection and the protection of witnesses in the key cases CICIG is investigating.

¶15. (SBU) In the Staffdel's subsequent meeting, Attorney General Amilcar Velasquez lauded the constructive relationship his office enjoys with CICIG, noting the first-class training some of his prosecutors are receiving there. Velasquez pointed to the success his staff has had in recent months in a couple of high-profile narco-trafficking cases, and brought attention to the growing capacity of the Attorney General's Office (Public Ministry) to prosecute money-laundering cases. Like Castresana, Velasquez expressed dismay about the lack of resources at his disposal to protect his prosecutors, and appealed to Congress for help and resources in this regard.

¶16. (SBU) At the Foreign Ministry, the Staffdel met with Carlos Morales and Julio Martini, Directors General respectively for Bilateral and Multilateral Affairs. They and other MFA staff members present emphasized the extremely close nature of relations with the United States, and thanked the Staffdel for Congress's support of the Merida Initiative. They also emphasized Guatemala's centrist political character, claiming that, under President Colom, the country would never be a member of ALBA. With respect to President Zelaya's ouster in Honduras, they expressed the importance of a united message that coups would not be tolerated in the hemisphere and felt that the situation in Honduras demonstrated a failure of the OAS. Failure to reverse the coup in Honduras, they argued, would only encourage further coups in the region. In a subsequent meeting with the Staffdel, a number of leading

Guatemalan business leaders revealed that they had no enthusiasm for the return of Zelaya, whom they view as a potential threat to investment in the region and as a stooge of Venezuelan President Hugo Chavez.

¶17. (SBU) Before leaving Guatemala City to tour USAID-funded projects in Chimaltenango and Villanueva, the Staffdel visited the international airport to learn about Guatemala's Counter-Narcotics Quick Reaction Force. The Staffdel was able to review the use of four U.S.-donated Huey helicopters and Merida funding to train a joint task force of pilots, mechanics, police, and Army Special Forces (Kaibiles) to react to drug-smuggling flights that violate Guatemala airspace and land here.

¶18. (SBU) In the small, indigenous town of Paraje Xesiguan in the Department of Chimaltenango, the Staffdel and the new Deputy Chief of Mission witnessed an exhumation of victims of an extrajudicial execution that took place during the internal conflict. According to some estimates, over 45,000 Guatemalans were forcibly disappeared between 1960 and 1996. USAID sponsors a program throughout the country to recover and identify their remains. The Staffdel and DCM met with a number of the victims' family members, who noted how important this effort is in terms of giving them closure, and expressed their deep appreciation for U.S. support for this program.

¶19. (SBU) In Villanueva, a poor, sprawling suburb just outside of Guatemala City, the Staffdel visited a model police station, which, with NAS support and training, has markedly increased arrest and conviction rates within its precinct over national averages. The model station has been so successful that it is being replicated in Mixco, another high-crime area in the greater Guatemala City metropolitan area. The Staffdel also visited a youth outreach center in Villanueva, which, with USAID seed money, has been extremely successful in steering away at-risk youth in Villanueva from joining local gangs. The Embassy is also supporting the replication of other such centers throughout Guatemala.

¶10. (SBU) In the country team briefing with the Staffdel, the Ambassador noted that bilateral relations between the United States and the Government of Guatemala (GoG) are excellent. The GoG's support of a U.S.-funded and trained wire-tapping unit, the Ambassador observed, had resulted in the headline-grabbing arrest on August 7 of the national police chief and three of his top lieutenants while they were stealing cocaine (Ref B).

¶11. (SBU) The Ambassador also praised the GoG for the greater commitment it had recently demonstrated to judicial reform. As examples, the Ambassador cited the GoG's support of legislation passed this May that was designed to make the selection of Supreme Court and appellate judges more transparent (REF C), and its openness to the idea of possibly extending the U.S.-backed polygraph program to vet high-level government officials. The Ambassador also lauded CICIG's performance, noting that the UN-sponsored organization was making progress in a number of high-profile cases, including the May murder of attorney Rodrigo Rosenberg, and the investigation of former President Portillo on embezzlement and corruption charges. Notwithstanding these advances, impunity, corruption and poor leadership continue to challenge GoG progress.

¶12. (SBU) In addition, Guatemala continues to face grave security challenges, none more serious than the threat posed by the extremely lucrative narcotics trade flowing up from South America to markets in the United States and Canada. The Political and Economic Counselor noted that the NYC street value of cocaine transiting Guatemala exceeds the country's entire national budget. In addition to funding increasingly sophisticated and professional gangs of narco-traffickers, the money generated by this trade continues to have an extremely corrosive effect on already-weak government institutions. The National Civilian Police (PNC) and judicial system are riddled with corruption, and largely ineffective and unprofessional. The murder rate in Guatemala is among the highest in Latin America, with only two percent of all murder cases resulting in conviction. The government has lost control of entire swaths of the country to narco-trafficking gangs, particularly in the border areas with Mexico.

¶13. (SBU) Given the weakness and unreliability of the PNC, the Staffdel asked if it would make sense for the Guatemalan Armed Forces to play a greater role in counter-narcotics operations. The Ambassador noted that the military is well-regarded by the Guatemalan general public but is seriously understaffed and is lacking in resources: we believe the GoG should put more resources into the military so it can carry out its constitutional mandate to protect the borders. That said, the military needs to be more forthcoming about conflict-era abuses its former members committed.

The Defense Attach???? added that the United States has a restricted military-to-military relationship with the Guatemalan Armed Forces. Current legislation excludes the United States from giving the Guatemalan Army, except for military engineers, any FMF or IMET funding, despite the fact that the Army has not been credibly implicated in any gross human rights violations since the end of the internal conflict in 1996. The Army makes up 85 percent of the armed forces in Guatemala. The Ambassador noted that the Army is already playing a critical supporting role in the fight against narcotics trafficking. Reforming and professionalizing the police, however, has to remain a key part of the solution to Guatemala's security challenges, the Ambassador added.

¶14. (SBU) In response to the Staffdel's question on how the Merida Initiative could be made more effective, the country-team suggested that Congress consider giving the program a greater regional focus and building in more programmatic flexibility, particularly in the out-years. Because the narco-trafficking cartels have proved to be so highly adaptable, the United States needs a counter-narcotics funding source that is similarly agile. Having such flexibility, for example, might have allowed the Embassy to move in a more expeditious manner to help "harden" rural communities in the central Department of Alta Verapaz against the encroachment of Mexican drug cartels moving south from the Peten and Mexico. The Country-Team also suggested that the delivery of Merida funding between U.S. agencies be better coordinated and integrated, noting that the various sections in the Embassy, including NAS, DEA, ICE, and USAID, had received their respective tranches at different times or were still waiting to receive them.

¶15. (SBU) The Ambassador concluded the Country Team briefing with an appeal to support such institutions as CICIG and the judiciary, and to engage the Guatemalan general public and build up their confidence in the country's institutions. The United States should also reinforce and leverage those areas where the Guatemalan

government demonstrates political will with additional resources. The Embassy's success in getting the GoG to buy into the wire-tapping and polygraph programs are two examples of programs that have succeeded because of GoG political will buttressed by steady Embassy persuasion.

¶16. (SBU) Comment: The three members of the Staffdel indicated that were struck by the enormity of the challenges facing the country, particularly with respect to reforming the police and the judiciary. Nonetheless, they had also seen some positive signs. They were particularly impressed with contributions that CICIG is making to the rule and law and with the Attorney General's commitment to build a corps of trustworthy and professional prosecutors. They took onboard the Country-Team's suggestions to give the Merida Initiative more of a regional focus and greater programmatic flexibility, but wondered about the capacity of the GoG to absorb significant levels of additional aid. With respect to the possibility of giving the Guatemalan military greater counter-narcotics assistance, the Staffdel acknowledged that there is significant interest, as well as resistance, to this idea in Congress. Finally, the Staffdel expressed their support for the USAID and NAS-sponsored projects that they had visited, noting in particular that the briefings they had received on these programs had been done largely by Guatemalans, which helped to convey a strong sense of ownership. End comment.

¶17. (U) Staffdel Jacobstein has cleared this cable.
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